



VISA

# The Crypto Phenomenon: 2022 Consumer Attitudes & Usage

Material+

# Contents

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03	Disclaimer
04	About Visa
04	About Material
05	Background
06	Methodology
07	What is Cryptocurrency?
08	Key Takeaways from the Research
10	Understanding the Current Market
18	The Role of Financial Institutions in Cryptocurrency
21	The Future of Crypto
23	Visa – A Network Working for Everyone
26	Conclusion
27	Glossary of Terms
28	Segment Definitions

# Disclaimer

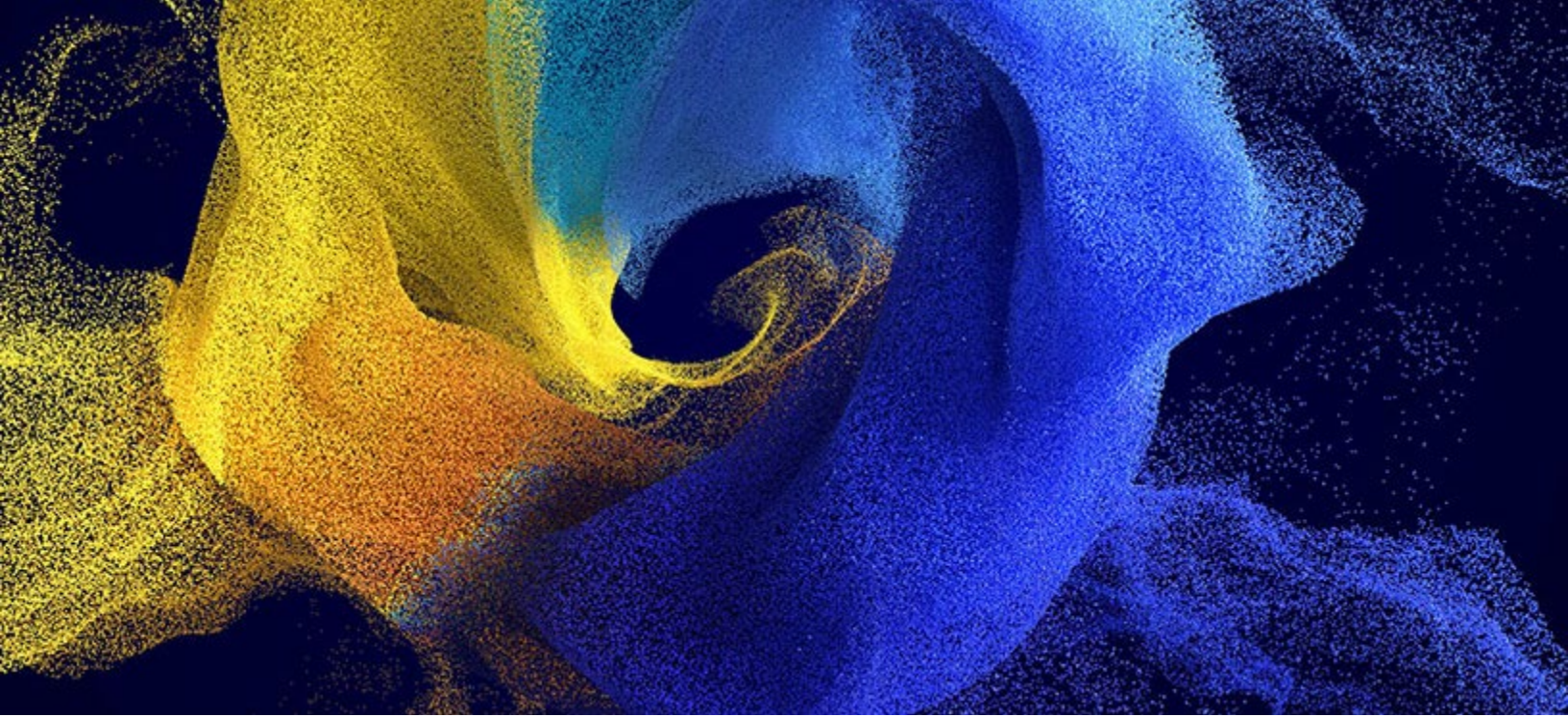
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## About Visa

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Visa Inc. (NYSE: V) is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone everywhere, uplift everyone everywhere and see access as foundational to the future of money movement. Learn more at [Visa.com](https://www.visa.com).

Visa's Global Crypto & Fintech group commissioned this study.

## About Material

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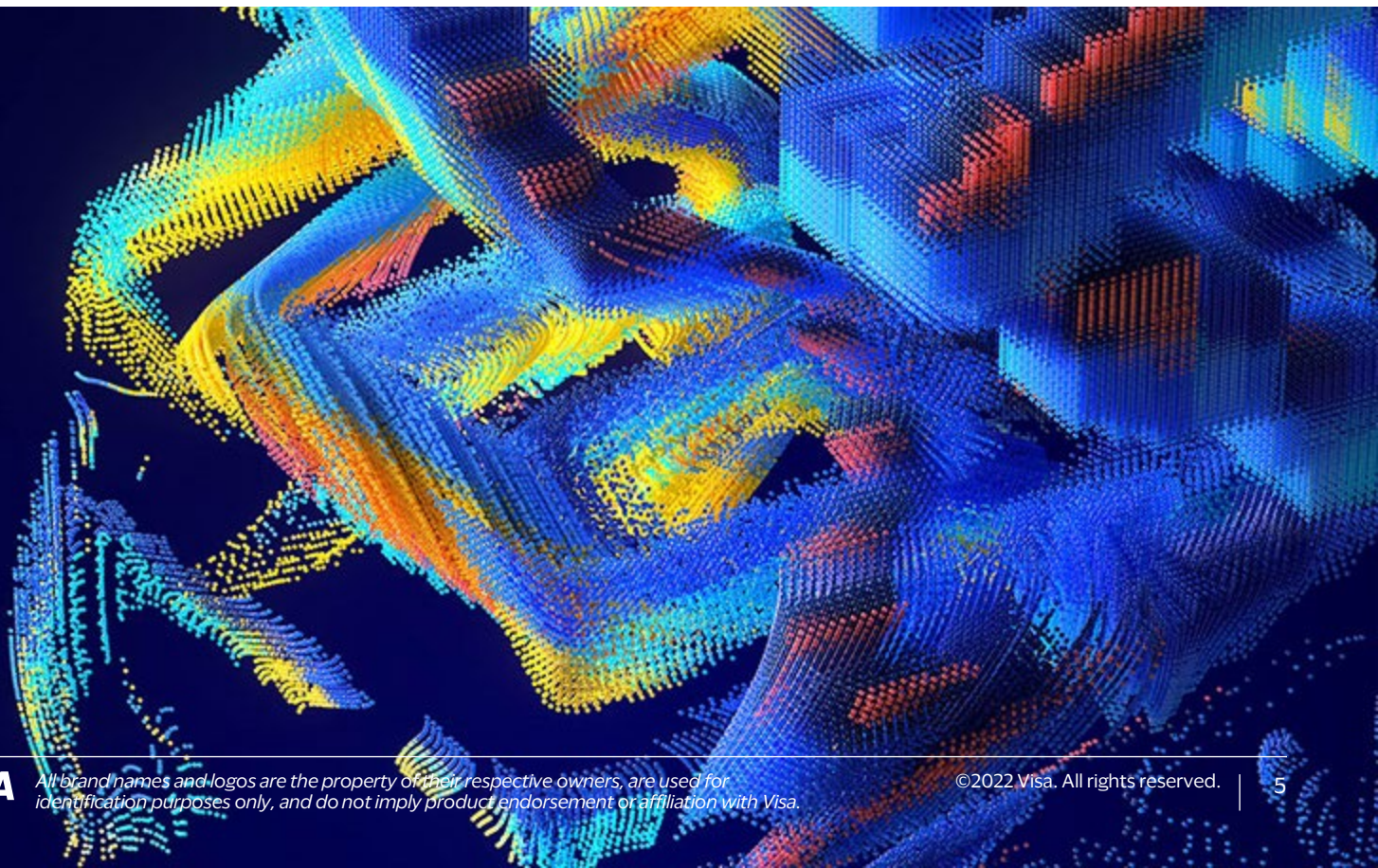
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# Background

**Crypto-related perceptions and products continually evolve as momentum in the digital currency space is constantly shifting. As the still early-stage market begins to mature, there continues to be signs of additional growth, even as questions arise about crypto's role in the future of finance and commerce, and what the role of traditional financial institutions will be in this new era.**

This paper offers a data-driven exploration into the evolving landscape of crypto, drawing from an ambitious custom Visa / Material study on the global attitudes and behaviors of consumers who exhibit varying levels of crypto engagement. This paper also outlines opportunities for financial institutions to help meet consumers' needs regarding this increasingly popular global asset. Regardless of the volatility of cryptocurrencies, the market and consumers remain attentive to trends for this digital currency.

Visa is working to combine crypto with the power of its global payment network - one of the world's largest - to help connect everyone, everywhere, to new networks, leveraging its long legacy as a trusted engine of commerce and deep expertise in the field of digital currency.



# Methodology

This study, conducted in partnership with Material included 6,430 online survey responses across Argentina, Australia, Brazil, Germany, Hong Kong (SAR), South Africa, the US, and the UK between August 25<sup>th</sup> and September 13<sup>th</sup>, 2021, and 10,435 online survey responses across the aforementioned markets and Canada, France, Mexico, Indonesia, and Nigeria between September 8<sup>th</sup> and September 24<sup>th</sup>, 2022. The research reflects the views and opinions of online populations in these markets and is demographically representative based on age, gender, household income, region and ethnicity. In order to qualify for the survey, respondents had to:

- Be at least 18 years old
- If 25 years old or older, have a household income of at least \$35,000 (or market equivalent)
- Have shared or joint financial decision-making responsibility in their households

Amongst this group, participants were further screened on their awareness of cryptocurrency: those who indicated awareness of cryptocurrency were invited to participate in the full survey on crypto attitudes and usage. Screening rates were captured to size this group among all online adults.

References to “**Developed Markets**” include Australia, Canada, France, Germany, Hong Kong (SAR), the US, and the UK whereas references to “**Emerging Markets**” include Argentina, Brazil, Mexico, Indonesia, Nigeria, and South Africa. References to “**Global**” include all markets surveyed.

References to “**consumers with discretion over household finances**” refers to all consumers surveyed that met age, household income, and financial decision-making qualifying criteria.

References to “**crypto-aware consumers**” include respondents that meet all qualifying criteria, including having financial discretion and being aware of cryptocurrency.

References to crypto “**owners**” include respondents that meet all qualifying criteria and has ever done any of the following with cryptocurrency:

- Used it to buy goods and services
- Accepted as payment
- Transferred to / from someone else
- Developed a cryptocurrency
- Invested and held for the long-term or engaged in day-trading



See Glossary for additional definitions.

Please reach out to your Visa contact if you would like to discuss further or visit [www.visa.com/crypto](http://www.visa.com/crypto) to learn more.

# What is Cryptocurrency?

As this paper describes the current perceptions, use, and opportunities surrounding cryptocurrency, it is important to first understand what is meant by the term and how it fits in with other related terms such as “digital currencies” and “crypto”.

Digital currencies are controlled by a private cryptographic key – a unique random string of numbers. In the same way that physical cash exists in a defined physical form and ownership is determined by holding paper bills, ownership of digital currency is determined by holding a private key associated with a crypto wallet which can be used to store and transfer digital currency. The term “crypto” is sometimes used to describe any digital currency.

There are three key types of digital currencies today:



Cryptocurrencies are currencies such as Bitcoin and Ether that are unaffiliated with any government or central bank.



Stablecoins are backed by a reserve asset (e.g., fiat currency held at commercial banks).



Central Bank Digital Currencies (CBDCs) are emerging digital versions of cash issued by a country’s central bank.

In many cases, digital currencies are issued by and exist on a public database maintained by what is commonly referred to as a blockchain. The database is distributed across computers that are running blockchain software. No single entity owns or controls the database, and anyone can access the database, prove ownership, and transfer digital currencies via the private keys associated with their crypto wallet.

For purposes of this white paper, our emphasis will be on cryptocurrency and not the other types of digital currency assets.

# Key Takeaways from the Research

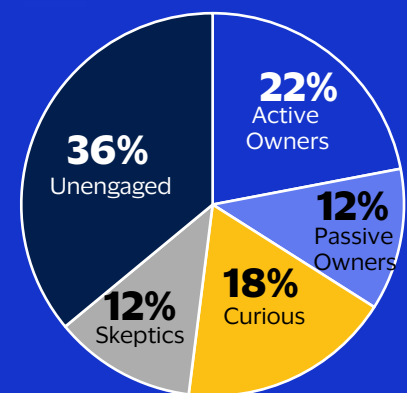
**Despite some momentum reduction in 2022, cryptocurrency and other digital currencies continue to show potential for additional growth, as perceptions of crypto have remained largely consistent and barriers to use have declined.**

- Awareness of cryptocurrency is nearly universal, with 95% of consumers surveyed having heard of cryptocurrency, up from 94% last year. In 2021, crypto moved from a niche asset class for a small community of investors to a broader market increasingly accessible for mainstream and new adopters.
- **Ownership increased slightly (34% 2022, 32% 2021)**, with half of Active Owners and over 40% of Passive Owners and Curious consumers indicating increased engagement with crypto in the past 12 months. We see slowing momentum, however, as intent among surveyed Owners to purchase more crypto in the next 12 months has decreased (57% 2022, 62% 2021).
- In Emerging Markets, Ownership (41%) and Curiosity (24%) about cryptocurrency is even more pronounced, likely due to a desire to hedge against unstable fiat currency and gain exposure to the US Dollar or the Euro via stablecoins.
- With the exception of volatility (30% 2022, 32% 2021), and having too many options to pick from (14% 2022, 14% 2021), all barriers to participation in crypto among surveyed participants fell significantly this year, including lack of knowledge of how to buy and store crypto, concerns about losing money, and the lack of laws and regulations.

**In 2022, among surveyed participants the desire to build wealth and to participate in a cultural and financial movement continue to be key drivers for consumer adoption.**

- Among surveyed participants, the biggest drivers of owning and using cryptocurrency are to take part in the “financial way of the future” (42% Owners) and to build wealth (37% Owners) – both forward looking motivators.
- Of those participants who transact with cryptocurrency, a large portion are motivated by being able to transact at any time (32% Active Owners), avoiding exchange conversion fees (31% Active Owners), and low transaction fees (21% Active Owners). Motivation to use crypto in these ways remains stable year over year.

**Five types of crypto-aware consumers**



**The Curious segment decreased significantly from 21% in 2021, as Skeptics and both Owner groups increased slightly.**

**[Click here to see: Glossary of Terms & Segment Definitions](#)**



## Financial institution involvement, particularly through **crypto-linked cards** and rewards, continues to be an important part of growing mainstream acceptance and adoption of digital currencies.

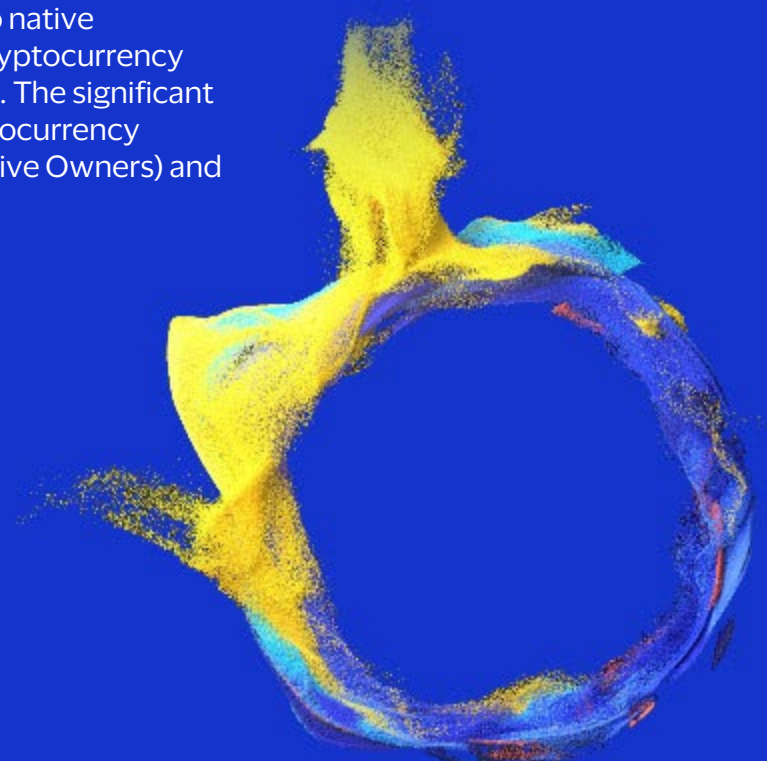
- High reported interest in crypto-linked cards in 2021 translated into increased adoption of these cards in 2022 (Crypto-linked Card Ownership: 16% 2022, 10% 2021).
- Most surveyed consumers believe it will be necessary for financial institutions to embrace cryptocurrency for it to become widely accepted (55% Total).
- While there is some limited interest in using cryptocurrency as a means to buy goods/services (22% Total\*), surveyed consumers express strong interest in crypto-linked cards (e.g., cards linked to crypto balances for everyday spend, 59% Total) and to enter the ecosystem through cryptocurrency rewards (57% Total).
- Most surveyed crypto owners would be interested in buying cryptocurrency from their bank (81% Owners), and many crypto owners are ready to take their business to banks that have jumped into crypto – more than a third of current owners surveyed indicate that they plan to switch to a bank that offers crypto products within the next 12 months (35% Owners).
- As crypto continues to emerge from being a niche area, there may be significant opportunities for non-crypto native companies (e.g., financial institutions) to add cryptocurrency rewards and payment options to their offerings. The significant majority of surveyed consumers who use cryptocurrency express interest in crypto-linked cards (87% Active Owners) and rewards (86% Active Owners).



A crypto-linked card is a card that allows you to convert and spend crypto at merchants and/or earn crypto rewards based on your spend

**Crypto-aware consumers in the UK are most likely to believe financial institutions are necessary for wide acceptance (72%)**

**South Africa is most primed for crypto-linked card adoption, with 79% of crypto-aware consumers expressing interest**



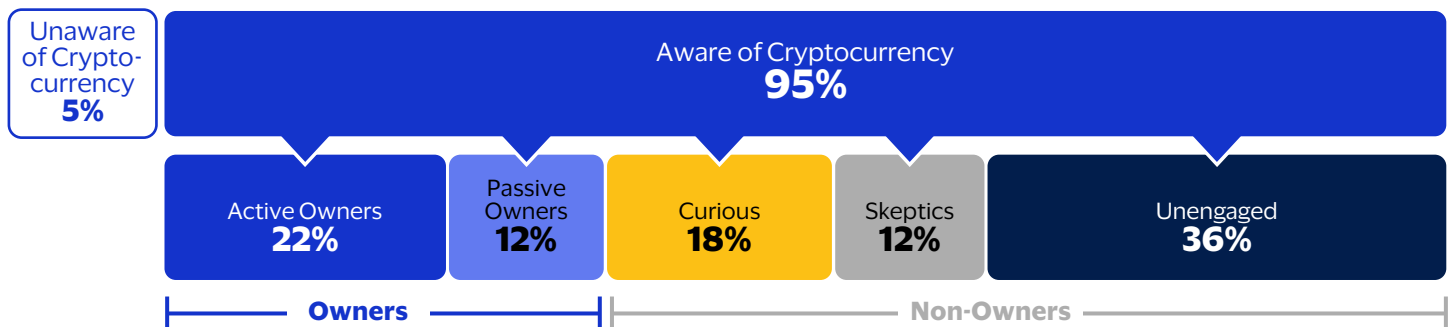
\*Cryptocurrency can be used for purchasing goods and services through the following means that vary by awareness: buy directly on blockchain from other users; buy directly on blockchain from merchants who accept crypto; use crypto to fund purchases on crypto-linked cards.

# Understanding the Current Market

Among surveyed participants, adults that have discretion over their household finances, there is near universal awareness of cryptocurrency (95%), largely unchanged from 2021 (94%).

Outside of a significant increase in Curious consumers, **the relative size of the five segments has remained fairly stable since 2021**. The percentage of surveyed people who have owned crypto has remained largely unchanged at approximately one third of those aware (34% 2022, 32% 2021), split between surveyed Active Owners who have transferred cryptocurrency or used it to buy and sell goods or services (22%), and Passive Owners who don't use it for transactions (12%). The remaining surveyed non-owners remain split between the fully Unengaged (36%), a segment of Curious consumers who have taken steps to learn more and have a positive impression of cryptocurrency (18%), and a relatively small group of Skeptics who have also taken steps to learn more but generally have a negative impression (12%). Only the Curious segment has changed significantly (18% 2022, 21% 2021).

## Global Adult Population (18+ Participating in Study)



	Active Owners	Passive Owners	Curious	Skeptics	Unengaged
<b>Developed Markets</b>	18%	10%	13%	13%	46%
Australia	18%	10%	12%	10%	49%
Canada	16%	9%	10%	14%	50%
France	12%	8%	12%	15%	54%
Germany	15%	10%	16%	17%	41%
Hong Kong (SAR)	24%	12%	16%	15%	34%
United Kingdom	17%	9%	13%	12%	48%
United States	25%	10%	12%	11%	42%
<b>Emerging Markets</b>	27%	14%	24%	9%	26%
Argentina	25%	13%	24%	9%	29%
Brazil	19%	13%	27%	9%	32%
Indonesia	36%	16%	19%	8%	20%
Mexico	23%	10%	26%	11%	31%
Nigeria	27%	16%	24%	14%	20%
South Africa	32%	16%	23%	7%	22%

# We Identified Trends in 5 Types of Crypto-Aware Consumers with Varying Degrees of Cryptocurrency Engagement: **Active Owners, Passive Owners, Curious, Skeptics, and Unengaged**

## Crypto Owners



**Active Owners are still optimistic about crypto, although slightly less likely to believe it will achieve widespread acceptance compared to 2021**

### Active Owners (22% Global)

Active Owners are consumers who have used cryptocurrency to send or receive money, buy goods, or to accept payment at least once.

**75% of Active Owners surveyed believe crypto is easy to use, up from 71% in 2021**

Active Owners generally have very positive perceptions of cryptocurrency across the board, and are even more likely in 2022 to believe crypto is easy to use (75% 2022 vs 71% 2021). Surveyed Active Owners are younger than other segments (51% Millennials), skew largely male (62%), and even more likely to get their information about crypto from YouTube (65% 2022, 60% 2021). They continue to believe crypto will grow in popularity (63%) and is the next advancement in modern finance (62%), but less likely to believe it will achieve widespread acceptance (53% 2022, 57% 2021).

Active Owners participating in study are optimistic – they are more likely than other segments to feel confident about the financial health of the global economy (43%) and to believe that cryptocurrencies will replace traditional fiat currencies (38%).

**Passive Owners are more likely to believe crypto is secure than in 2021, but less optimistic about its future than in 2021**

### Passive Owners (12% Global)

Passive Owners are consumers who have purchased cryptocurrency as an investment but have not transferred/transacted with it.

**47% of passive owners surveyed believe crypto is a better investment than the stock market, down from 54% in 2021.**

Passive Owners surveyed are now more likely to believe crypto is secure (60% 2022, 55% 2021), and easy to use (65% 2022, 60% 2021), but less likely to believe it will be used by the majority in 10 years (64% 2022, 69% 2021) or that it is a better investment than the stock market (47% 2022, 54% 2021). They are far less likely to believe it will continue to grow in popularity (53% 2022, 67% 2021), and less likely to believe crypto will achieve widespread acceptance (48% 2022, 54% 2021). While still uncommon, surveyed Passive Owners are now more likely now to be indifferent to (9% 2022, 5% 2021) or have a negative view of crypto investment (9% 2022, 6% 2021). Like Active Owners, surveyed Passive Owners also skew male (61%) and young (43% Millennials) although to a lesser degree.

## Non-Owners

### Curious (18% Global)

Curious consumers are those who have taken steps to learn about cryptocurrency and have positive perceptions of it but have yet to purchase any.

***Curious participants surveyed are increasingly likely to believe crypto is secure (47%) and easy to use (47%).***

Curious consumers surveyed are more likely to believe it is secure (47% 2022, 42% 2021) and easy to use (47% 2022, 38% 2021). They are less likely in 2022 to believe it will continue to grow in popularity (60% 2022, 66% 2021), and less likely to believe crypto will achieve widespread acceptance (55% 2022, 59% 2021). Perhaps the starkest difference between the surveyed Curious segment and Owners is that they are far less likely to believe cryptocurrency is easy to use (47% Curious, 72% Owners), though this perception has increased since 2021, (47% 2022, 38% 2021). They are still mostly split between Millennials and Gen X (36% and 31%, respectively), and are still slightly more likely to be women (55%) than men. Like those that own cryptocurrency, the surveyed Curious get information from YouTube (49%), but are about equally informed through word of mouth by friends and family (51%).

**Curious consumers surveyed are far less likely than Owners to say that crypto is easy to use, suggesting a potential barrier to Ownership.**

### Skeptics (12% Global)

Skeptics have taken steps to learn about cryptocurrency but haven't purchased any and only have negative perceptions of it.

***75% of surveyed Skeptics prefer small risks with moderate rewards.***

By definition, Skeptics are less favorable toward cryptocurrency. Their broader perceptions about cryptocurrency have not changed significantly since 2021. Surveyed Skeptics continue to have an increased preference for small risks with moderate rewards (75% Skeptics vs. 65% Total). Skeptics participating in the study skew older than Curious consumers and are more likely to be Boomers (26%). These Skeptics are still fairly equally split between men (47%) and women (52%), and their most frequent source of information about crypto is still word of mouth, up from 2021, (50% 2022, 39% 2021).

**The Unengaged segment are looking a little more skeptical compared to 2021**

### Unengaged (36% Global)

Unengaged consumers participating in the study have done no research into cryptocurrency and/or are indifferent about it. Compared to those surveyed in 2021, they are less likely to believe it is a positive innovation in finance (25% 2022, 32% 2021), is a better investment in the stock market (13% 2022, 17% 2021), that they will be able to use it to pay for goods in 5 years (18% 2022, 21% 2021) or send money to friends in 5 years (21% 2022, 24% 2021). Unengaged surveyed consumers are attitudinally very similar to Skeptics, indicating that negative impressions of cryptocurrency could be the default before becoming more informed. Surveyed Unengaged consumers are the most likely segment to be Boomers, though there were more Boomers among the Unengaged in 2021 (32% 2022, 39% 2021). They are now even more likely to be female (60% 2022, 57% 2021). They are more likely to hear about cryptocurrency watching television (24%) or from friends and family (32%) than any other single source.

# Five Key Demographics Continue to be Predictive of Crypto Engagement Levels



## Demographic Indicators

Five key demographics have been found to correlate with cryptocurrency engagement: gender, age, advancement of geographic market, income in some markets, and ethnicity in the US.

The skew towards Emerging markets is even stronger in 2022.

- **Engagement continues to skew male.** Our study finds that engagement continues to skew male. Almost two in three consumers participating in the study who transact with cryptocurrency are men (62% Active Owners), while a strong majority of completely Unengaged consumers are women (60% Unengaged).
- **Engagement with cryptocurrency is still inversely proportional with age,** and this skew remains as strong as it was a year ago. Those participants with stronger engagement tend to be younger whereas those with weaker or no engagement tend to be older. Half of consumers surveyed who own cryptocurrency are under 35 (50% Owners), whereas the vast majority of those who have not engaged at all with it are over 35 (77% Unengaged).
- **Engagement with cryptocurrency is stronger in Emerging Markets,** and this skew has become stronger in 2022. While only 28% of crypto-aware consumers surveyed in Developed Markets own cryptocurrency (vs. 29% in 2021), a full 41% in Emerging Markets own cryptocurrency (vs. 37% in 2021). In Developed Markets, 46% of crypto-aware consumers surveyed have not taken any steps to learn about cryptocurrency (vs. 43% in 2021), compared to only 26% in Emerging Markets (vs. 28% in 2021).
- **In the US, non-White consumers surveyed are still leading the way in engagement with cryptocurrency,** and the relationship between ethnicity and engagement remains largely unchanged. While 31% of survey respondents in the United States are non-white, non-white Americans account for 43% of those who own cryptocurrency. Similarly, non-white consumers account for a large percentage of the Curious segment (48%).
- **Wealthier consumers still tend to be more likely to engage with cryptocurrency in some markets tested.** Income does not universally play a role, but there are trends in Australia, Argentina, Brazil, and Mexico. For example, in Australia, the majority of Owners surveyed have incomes over AU\$100,000 (52% Owners), compared to 39% of Non-Owner respondents. In Argentina, Brazil, and Mexico, those in higher socioeconomic groups surveyed are significantly more likely to be Owners.

# Surveyed Crypto Owners Differ from Non-Owners Across Markets and Demographics

## Crypto Owners

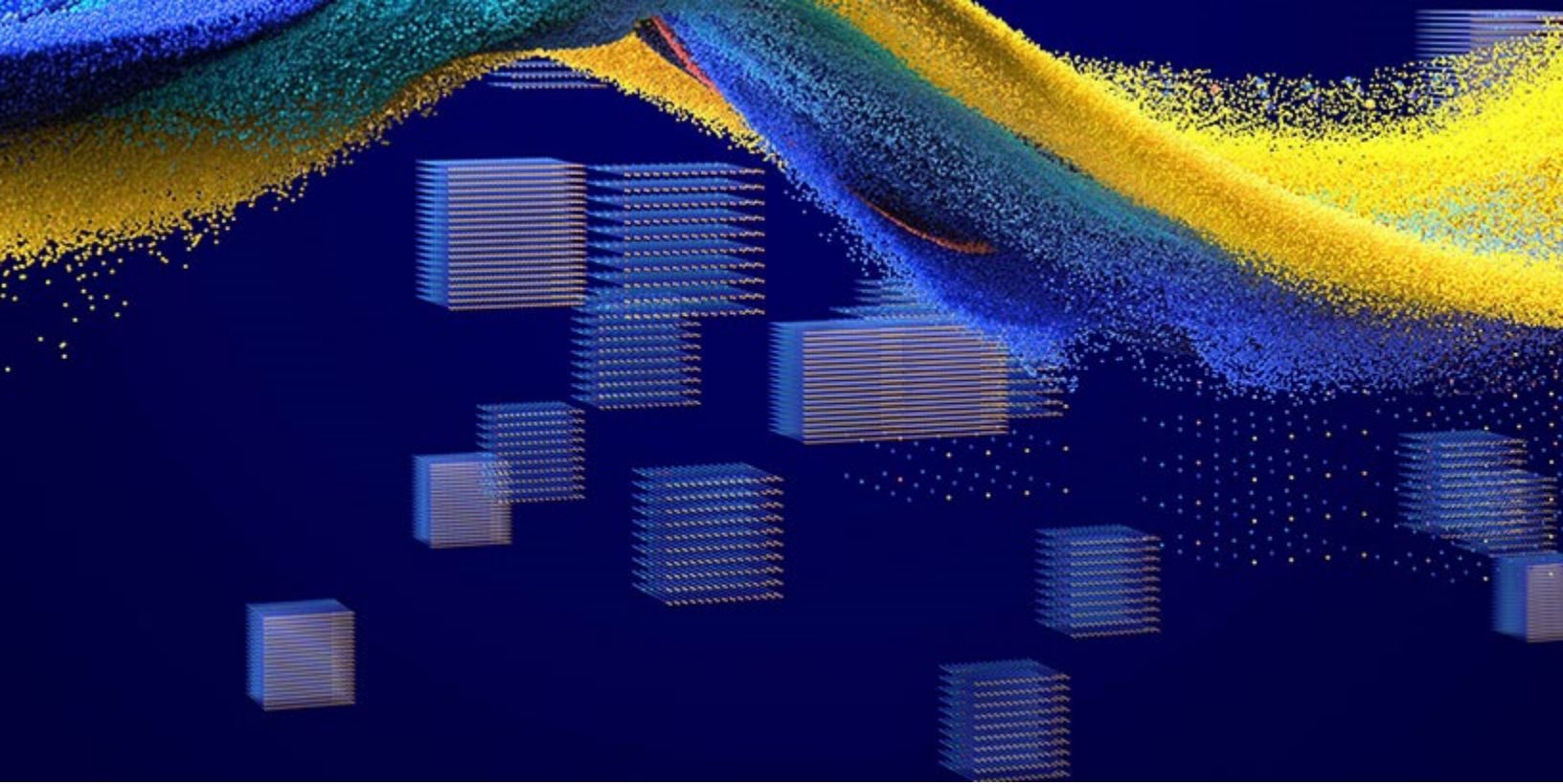
Of those regions studied, there continue to be almost twice as many Active Owners as there are Passive Owners (22% vs 12% Total). This ratio is approximately equal across Developed Markets and Emerging Markets.

Active Owners have increased slightly in Emerging Markets in 2022 (27% 2022, 23% 2021). Participants in Indonesia have the greatest engagement overall, with both the highest percentage of Active Owner (36%) and Passive Owner (16%) respondents of all markets surveyed. While Emerging Markets generally have a higher percentage of consumers who own cryptocurrency, the United States continues to rank highest of Developed Markets in percentage of Active Owners (25% US).



**Crypto-first exchanges are platforms designed specifically for crypto, where individual investors can buy and sell crypto assets.**

As of September 2022, of those surveyed, crypto-first exchanges continued to be cited as the preferred method of crypto acquisition (51% Owners), and more than a third still indicate that they earn crypto through mining or staking (39% Owners) and another third indicating that they acquire through investment platforms (32% Owners). Earning crypto through mining or staking is somewhat more popular in Emerging Markets (46% Owners in Emerging Markets), although crypto-first exchanges are still the most commonly used for acquiring cryptocurrency (53% Owners in Emerging Markets). Compared to 2021, acquisition through banking has decreased, including from digital banking apps (21% 2022, 24% 2021), traditional banks (18% 2022, 21% 2021), and cash machines (15% 2022 vs 17% 2021).



## Non-Owners

**In our study, there continue to be a greater percentage of crypto-aware consumers who have taken steps to inform themselves about cryptocurrency in Emerging Markets than in Developed Markets** (74% Emerging Markets vs. 54% Developed Markets). Developed Markets like France (54%), Canada (50%), and Australia (49%) have the highest percentages of Unengaged consumers, with little change since 2021. Indonesia and Nigeria, newly surveyed in 2022, have the smallest proportion of Unengaged consumers (20%, respectively) of all surveyed markets.



**France has the greatest share of Non-Owners (80%)**

**For markets surveyed, there are approximately 50% more crypto-Curious consumers (18%) surveyed than there are Skeptics (12% Total)**, a slightly lower discrepancy than those participants surveyed in 2021. This trend is even more defined in Emerging Markets where there are almost three times as many Curious (24% Emerging Markets) as there are Skeptics (9% Emerging Markets). Indeed, there are more Curious consumers than Skeptics in every surveyed Emerging Market, signifying greater opportunity for near-term growth. Participants in Brazil remain poised for expansion with the greatest percentage of Curious consumers (27%). On the other hand, in some Developed Markets, Skeptics outweigh the Curious, such as Canada (14% vs 10%), France (15% vs 12%), and Germany (17% vs 16%).

# Primary Reasons Why Surveyed Consumers Own Cryptocurrency

## 1. Being Part of the Financial Way of the Future

It's the financial way of the future

42%

Don't want to miss out

28%

Participate in this cultural moment

18%

Surveyed consumers who already own cryptocurrency continue to be most likely to indicate that they are motivated to participate because they feel that it is the financial way of the future (42% Owners). Despite a slowing down of future intent to use the currency, many surveyed Owners still believe crypto to be a big part of the future financial world. This motivation has decreased slightly among non-Owners, however (24% 2022, 26% 2021).

The fear of missing out on cryptocurrency's momentum also continues to propel many surveyed consumers to engage (28% Owners) and those in Developed Markets are still more likely to cite having fun participating in a cultural moment (24% Owners in Developed Markets).

## 2. An Opportunity to Build Wealth and Diversify Investments

Building wealth is slightly less motivating in 2022

Crypto-aware consumers, regardless of whether they have purchased cryptocurrency, are motivated to buy it as a way to build wealth (37% Owners, 26% Non-Owners) and an opportunity to diversify their investments (29% Owners, 15% Non-Owners), although these perceptions have fallen somewhat. Owners surveyed are less likely in 2022 to be motivated to buy crypto as a way to build wealth (37% 2022, 41% 2021), and Non-Owners are less likely to be motivated to diversify investments (15% 2022, 18% 2021). Not surprisingly, Passive Owners surveyed are still motivated by wealth building potential (43%), while the decrease in this motivation is led by Active Owners (35% 2022, 39% 2021).

The motivation to build wealth with crypto has fallen especially in Emerging Markets (40% Owners in Emerging Markets 2022, 47% 2021), but is still greater than in Developed Markets (34%), although many still believe it to be one of the best ways to store value for the long-term (35% Owners in Emerging Markets). Interest in crypto as a means of protection against inflation in Emerging Markets decreased in 2022 (23% Emerging Market Owners in 2021, 30% 2021) and is now closer to the prevalence of that motivation in Developed Markets (19%).

## 3. Transaction Freedom and Lower Fees

Many Active Owners surveyed tout the freedom and flexibility of cryptocurrency as a key draw for owning. A large portion are motivated to transact with cryptocurrency because of its global nature, allowing them to transact at any time (32% Active Owners in 2022, 29% 2021), spend money abroad without exchange conversion fees (31% Active Owners in 2022, 30% 2021), and low transaction fees (21% Active Owners in 2022, 23% 2021), all largely unchanged since the 2021 analysis.

Owners in Emerging Markets are more attracted to the opportunity to use cryptocurrency globally than those in Developed Markets (32% vs. 19%), largely unchanged from the 2021 analysis, as more than half of Active Owners surveyed in Indonesia (52%), and more than a third of Active Owners surveyed in South Africa (41%), Argentina (34%), are motivated by lack of conversion fees abroad.



# Primary Reasons Why Surveyed Consumers Do Not Own Cryptocurrency

**Common barriers to participation in cryptocurrency remain the same, though almost all barriers to participation fell significantly in 2022.**

## 1. A Fundamental Fear of Losing Assets

**Concern over volatility was one of only two barriers that did not decrease significantly in 2022**

Across all markets studied, consumers surveyed cite that one of the top factors limiting engagement is consumers' concern that they will ultimately lose their money, though this concern has fallen significantly (43% 2022, 46% 2021). Following the extremely volatile performance of crypto assets in 2022, participants' perceptions that crypto is too volatile is one of the few barriers that has not decreased significantly (30% 2022, 32% 2021).

Other concerns that elevate the perceived risks of owning cryptocurrency have started to decrease, including lack of regulation (25% 2022, 31% 2021), and the limited recourse in the case of hacking or stealing (23% 2022, 28% 2021).

## 2. The Perceived Steep Learning Curve

While surveyed consumers who are already engaging with cryptocurrency generally feel confident in their understanding of it, about half of Non-Owners surveyed cite the steep learning curve as a reason for why they haven't engaged yet, making it the greatest barrier for these consumers (49% Non-Owners). However, the share of Non-Owners surveyed reporting their lack of knowledge about crypto has decreased significantly (49% 2022, 55% 2021)

And as mentioned previously, surveyed Curious consumers, who have favorable attitudes toward cryptocurrency but do not yet own it, are far less likely to believe cryptocurrency is "easy to use" (47% Curious) than Active Owners (75%) or Passive Owners (65%).

## 3. Negative perceptions of the environmental impact of cryptocurrency remain unchanged.

Negative perceptions about crypto's environmental impact aren't pervasive but are felt most strongly in Developed Markets. 28% of crypto-aware consumers surveyed in Developed markets believe crypto is bad for the environment, unchanged since 2021. Meanwhile, In Emerging Markets, only 12% of crypto-aware consumers participating in the study believe crypto is bad for the environment. Consumers in Canada and Germany are the most likely to perceive a negative environmental impact of cryptocurrency (34%).

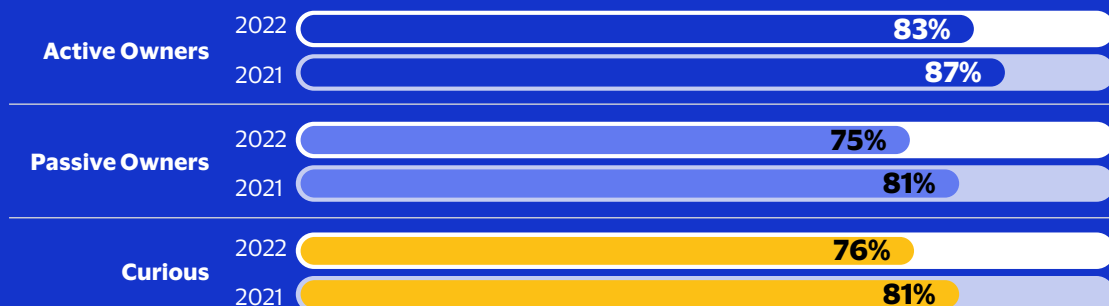
# The Role of Financial Institutions in Cryptocurrency

**Over half of crypto-aware consumers surveyed believe that cryptocurrency requires participation from established financial institutions before it achieves mainstream adoption** and that this is a necessary development for cryptocurrency to have staying power, down since last year (55% 2022, 59% 2021). This sentiment is still stronger among consumers surveyed in Developed Markets than those in Emerging Markets (63% Developed Markets vs. 45% Emerging Markets). In Developed Markets especially, financial institutions can be an enabler for Curious consumers to take the next step with cryptocurrency, as this particular segment is the most likely to believe cryptocurrency's future is tied to financial institution participation (72% Curious in Developed Markets).

Though surveyed consumer interest in traditional bank involvement in crypto has decreased significantly since 2021, **involvement of banks still has a meaningful impact**, particularly among Owners and Curious consumers participating in the study.

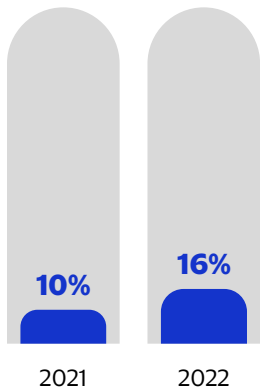
47% of crypto-aware consumers surveyed are interested in using their traditional bank for cryptocurrency (vs. 50% in 2021). This includes 83% of Active Owners, 75% of Passive Owners, and 76% of Curious consumers who are interested in purchasing cryptocurrency if it were offered by their traditional bank. Additionally, more than a third of crypto owners surveyed indicate that they are likely to switch to a bank that offers crypto products within the next 12 months (35% Owners).

## Interest in Purchasing Cryptocurrency from Their Bank if Offered



# Crypto-Linked Card Programs Help Offer an Accessible Entry-Point to Consumers

## Adoption of and Interest in Crypto-Linked Cards Has Increased

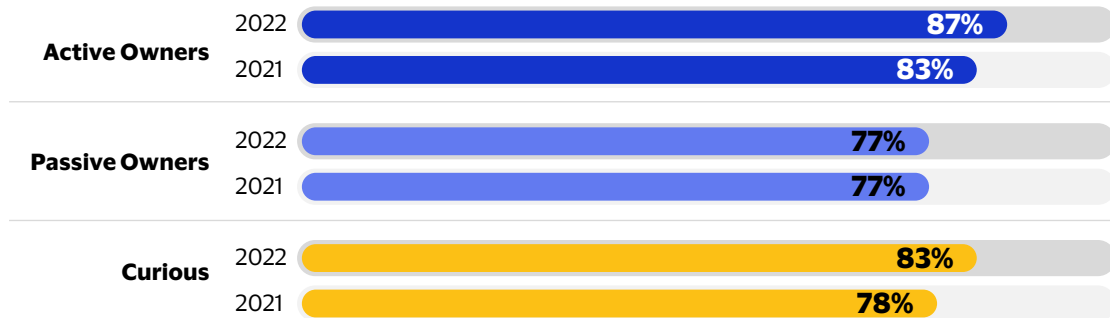


In 2021, interest in crypto-linked cards was high among Active Owners, Passive Owners, and Curious consumers surveyed (83%, 77%, 78% respectively). This has contributed to increased adoption of crypto-linked cards in 2022, as 16% of surveyed Owners now possess crypto-linked cards compared to 10% of surveyed Owners last year. Interest in crypto-linked cards has also increased significantly among Active Owners (87%) and Curious (83%) participants this year.

Notably, while engagement with cryptocurrency is generally higher in Emerging Markets, use of crypto-linked cards among those who own cryptocurrency in Emerging Markets is similar to the average of all markets surveyed (15% Owners in Emerging Markets).

The biggest reason cited by surveyed consumers who are interested in a crypto-linked card continues to be joining the movement and supporting its rise in popularity, though this was more of a motivation in 2021 when crypto was seen as less mature (35% 2022, 42% 2021).

### Interest in Crypto-Linked Cards



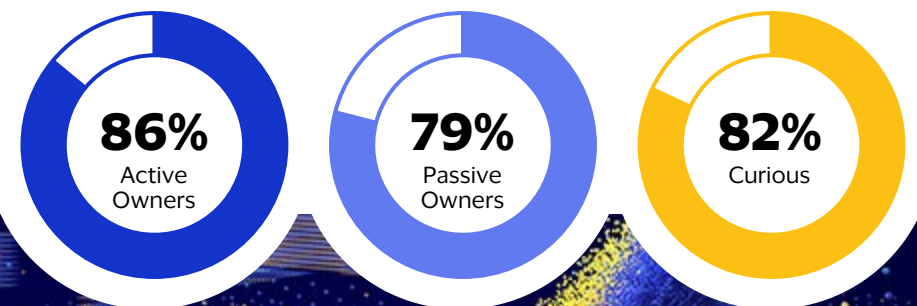
It is also likely that surveyed consumer interest in crypto-linked cards is tied to a desire to have payment optionality (32% of crypto-aware consumers were more likely to purchase from retailers that accept crypto in 2021) and for crypto owners, an easy way to tap into their crypto asset liquidity without having to sell and then transfer their fiat back to a traditional bank account for use. Assurance that cryptocurrency can be used like fiat currency helps give consumers the accessibility and convenience to make payments from their crypto wallet balance in the same way that they engage in commerce today.

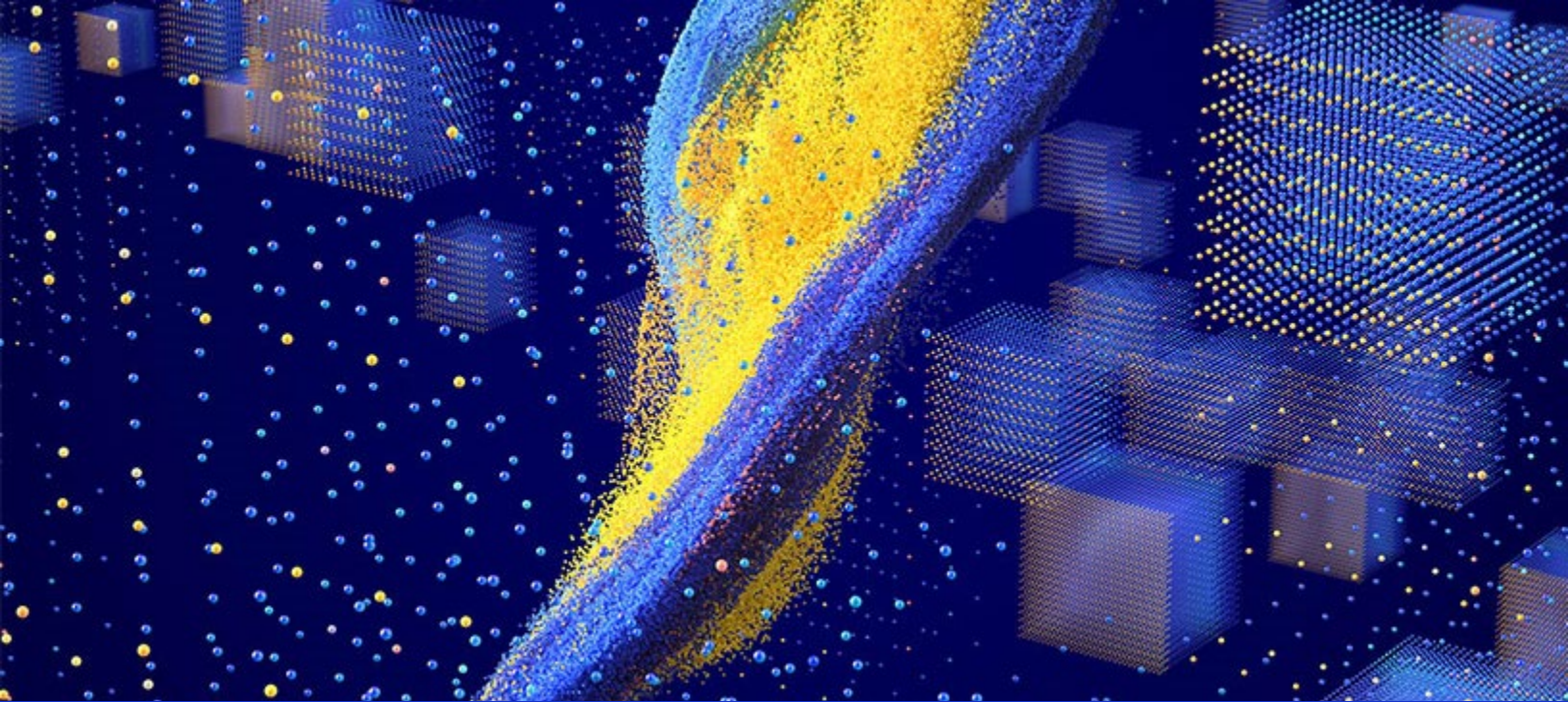
Among Active Owners surveyed, the segment most interested in crypto-linked cards, 25% express that having a larger portion of their savings in cryptocurrency rather than in their market's fiat currency is a reason for their interest in a crypto-linked card. **For many owners, a crypto-linked card could be the gateway to everyday spending with cryptocurrency, as those who already do have a crypto-linked card report spending roughly equal amounts of cryptocurrency and fiat currencies with it.**

## Crypto Rewards Are Appealing and May Spark New Relationships with Financial Institutions

Interest in a cryptocurrency reward program wherein a cardholder earns cryptocurrency as a reward for their spending still garners strong interest among surveyed consumers who already own cryptocurrency (84% Owners), unchanged since 2021. Interest is also strong among those surveyed who are Curious about cryptocurrency (82% Curious), also unchanged since 2021. The Curious segment of participants in Emerging Markets continues to demonstrate particularly high interest in cryptocurrency rewards (86% Curious in Emerging Markets). Cards that offer cryptocurrency rewards could be an easy entrance into the world of cryptocurrency, as even many Skeptics (40%) and Unengaged (41%) consumers in Emerging Markets are interested in earning crypto rewards. Crypto rewards programs have the potential to remove barriers associated with limited discretionary income or lack of knowledge for potential participation in cryptocurrency.

### Interest in Crypto Rewards



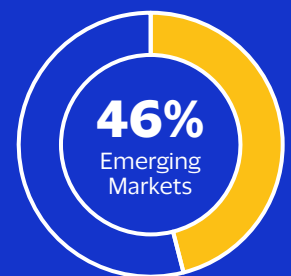


## The Future of Crypto

**Despite fluctuations in crypto value in early and mid-2022, interest in crypto remained largely unaffected, barriers to participation decreased, and perceptions of crypto remained mostly stable, suggesting that there are still opportunities within the crypto space even with the increased volatility in late 2022.** While the momentum of crypto engagement we observed in 2021 has slowed, however, over half of Active Owners participating in the study and over four-in-ten Passive Owners and Curious consumers were still noted as being more engaged with crypto in the past 12 months. Additionally, majority of surveyed Owners intend on buying more crypto in the next 12 months.

Also, 18% of surveyed consumers fall within our Curious segment, and much of this segment has indicated increased engagement through reading or talking about it with others over the past year (**42% Curious**). If able to convert Curious consumers into Owners, the opportunity is greater in Emerging Markets than in Developed markets as the share of Curious consumers is higher in Emerging Markets. (24% Curious consumers in Emerging Market vs 13% in Developed Markets). These Curious consumers surveyed already have positive feelings towards cryptocurrency and express high interest in solutions that could offer low-risk entry points, which would bring them into the Passive Owner or Active Owner segments. Despite not owning any cryptocurrency now, surveyed Curious consumers indicate that they are likely to hold 16% of their total investable assets in crypto a year from now.

### Increased Engagement Among Curious in Past 12 Months

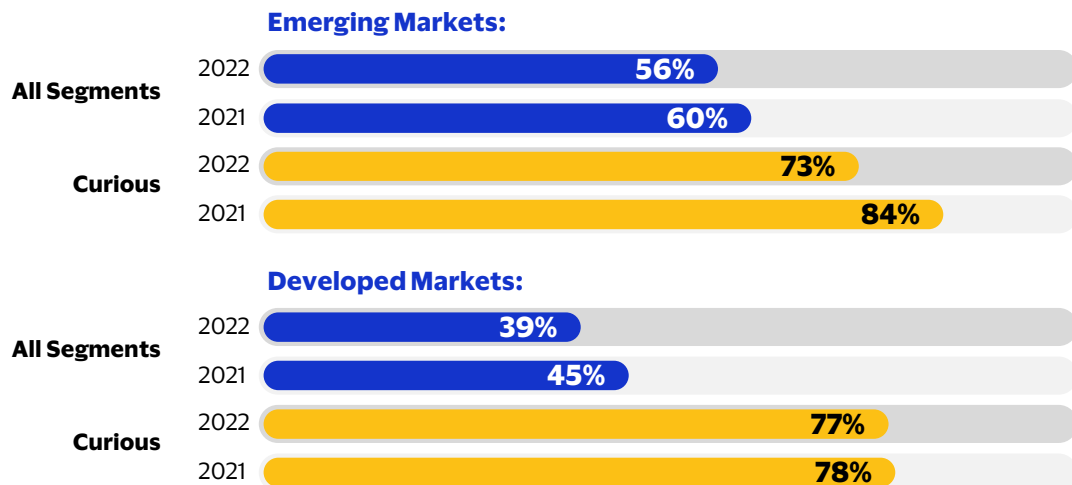


# Crypto-Aware Consumers on the Sideline – Insights from Curious Consumers

Given the large size of the Curious segment and their already positive impressions of cryptocurrency, it is interesting to note what potential key factors these consumers are looking for when thinking about why they would want to engage in cryptocurrency. This can give insights for cryptocurrency participants to unlock new commerce and use-case opportunities.

- Focus on the future.** The most likely triggers for Curious consumers to engage with crypto remain the same – participating in the financial way of the future (42%) and building wealth (41%). As these are both forward looking value propositions, a vision of the future can potentially inspire this segment to participate in the ecosystem.
- Identify opportunities to help educate.** Less than a quarter of Curious adults surveyed indicate that they are “familiar” with cryptocurrency (23% Curious). Further, one of the biggest differences between the Curious segment and those who own cryptocurrency is the perception of its ease of use (72% Owners, 47% Curious). Offering simpler and more consumer-friendly education on crypto may help build more comfort. Driven by increases in Emerging Markets, Curious adults surveyed are now much more likely to say crypto is easier to use (47% 2022, 38% 2021). Progress made on this front can bridge the gap between Owners and Curious consumers.
- Make cryptocurrency accessible.** Almost three-fourths of Curious adults surveyed indicate that they are interested in purchasing cryptocurrency from their bank if it’s offered. While this has dropped since 2021, it’s still an important entry point for the Curious segment.

## Interest in Purchasing Cryptocurrency from Their Bank if Offered



- Promote user friendly ways to onboard into crypto such as crypto-linked cards and crypto rewards.** A large majority of Curious adults surveyed indicate that they would be interested in crypto-linked cards (83%) and earning crypto rewards (82%) – approximately the same level of interest as those that already own crypto.

# Visa – A Network Working For Everyone

Visa has long served as a trusted engine of global commerce, enabling the secure and reliable movement of trillions of dollars between individuals, businesses, and governments in over 200 countries and territories. Now, with the rise of crypto, we are committed to connecting our network to crypto and blockchain networks to deliver on our mission: enabling individuals, businesses, and economies to thrive.

## Visa's Focus on Crypto Spans A Few Key Areas



### **Consumer Payments: Adding new credentials and acceptance points.**

We're focused on making Visa the simplest and most secure way for consumers to buy and use crypto using a Visa card. This includes our efforts around:

**Crypto-linked Card Programs:** Visa is working with more than 60 of the leading crypto platforms to issue [crypto-linked cards](#), which help make it simple and convenient to convert and spend crypto, at any of the 80 million merchant locations worldwide that accept Visa. For consumers who store assets in digital currency, the ability to spend these funds anywhere Visa is accepted adds utility. What's more, these programs don't require coffee shops, dry cleaners, or grocery stores to directly accept cryptocurrencies at checkout. It's the magic of "tap and go" without the complexity of new acceptance points or cryptographic keys.

**Enabling easy, secured on-ramps into crypto :** Visa has been working with its community of issuer and acquirer partners to make it seamless for Visa cardholders to purchase crypto assets (including non-fungible tokens) on various regulated platforms using their existing Visa credentials. Visa also provides best-in class solutions to provide innovative end-to-end authentication, fraud, risk, and dispute solutions for crypto transactions to help ensure crypto-native platforms and customers are protected from potential fraud risk during customer onboarding and crypto purchases.

**Non-Fungible Tokens (NFTs):** Visa believes NFTs represent an evolution and the next stage of eCommerce. And given the significant interest from merchants, brands, and content platforms who are looking to participate in the NFT commerce ecosystem, Visa aims to play a role in connecting consumers who want to own and display NFTs with the artists and creators selling these goods. With this in mind, we are focused on enabling our partners to support acceptance of Visa products for this new category and are working with them to help them understand how to harness this new ecosystem.

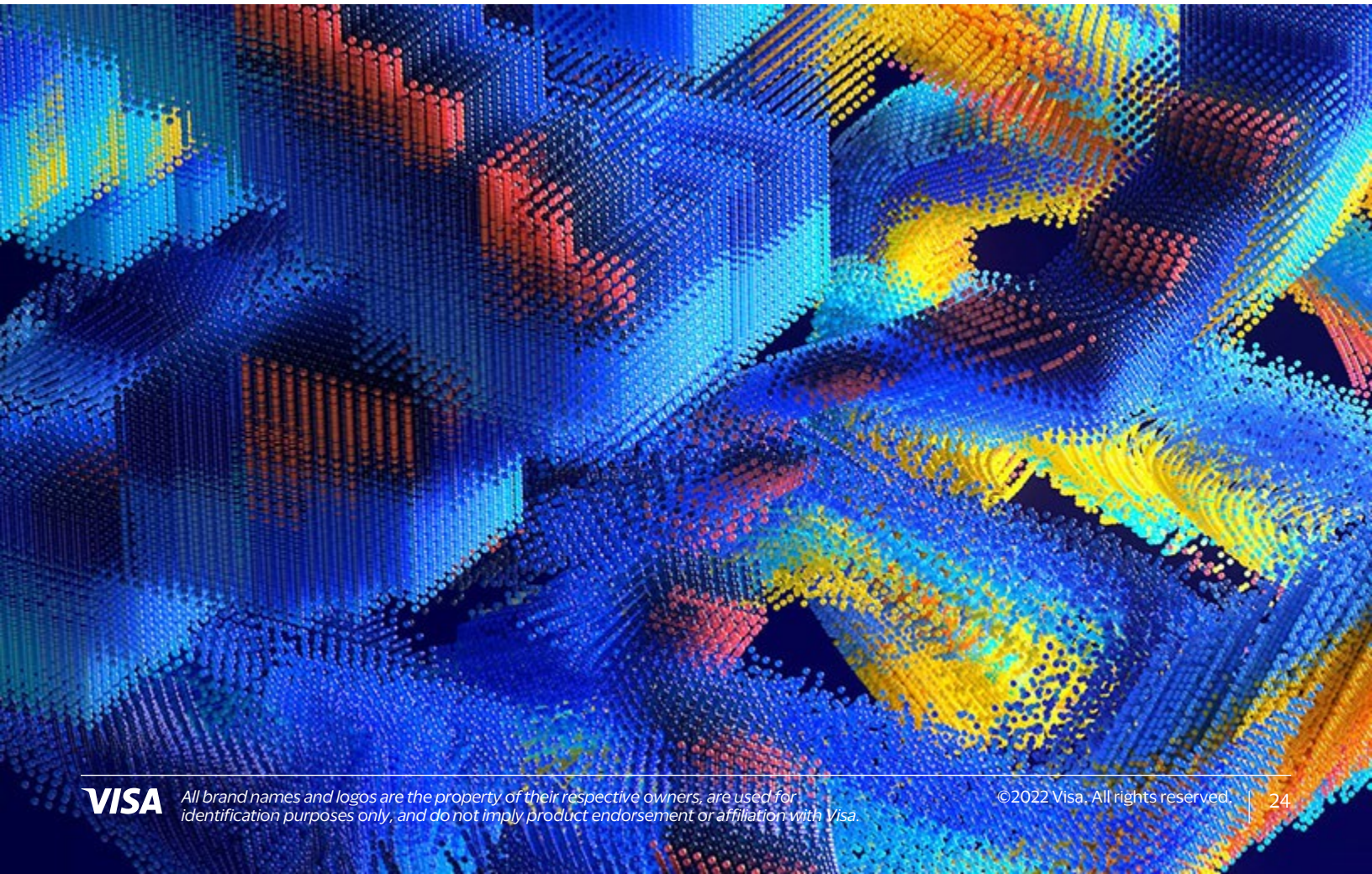


## New Flows: Advancing new forms of money movement

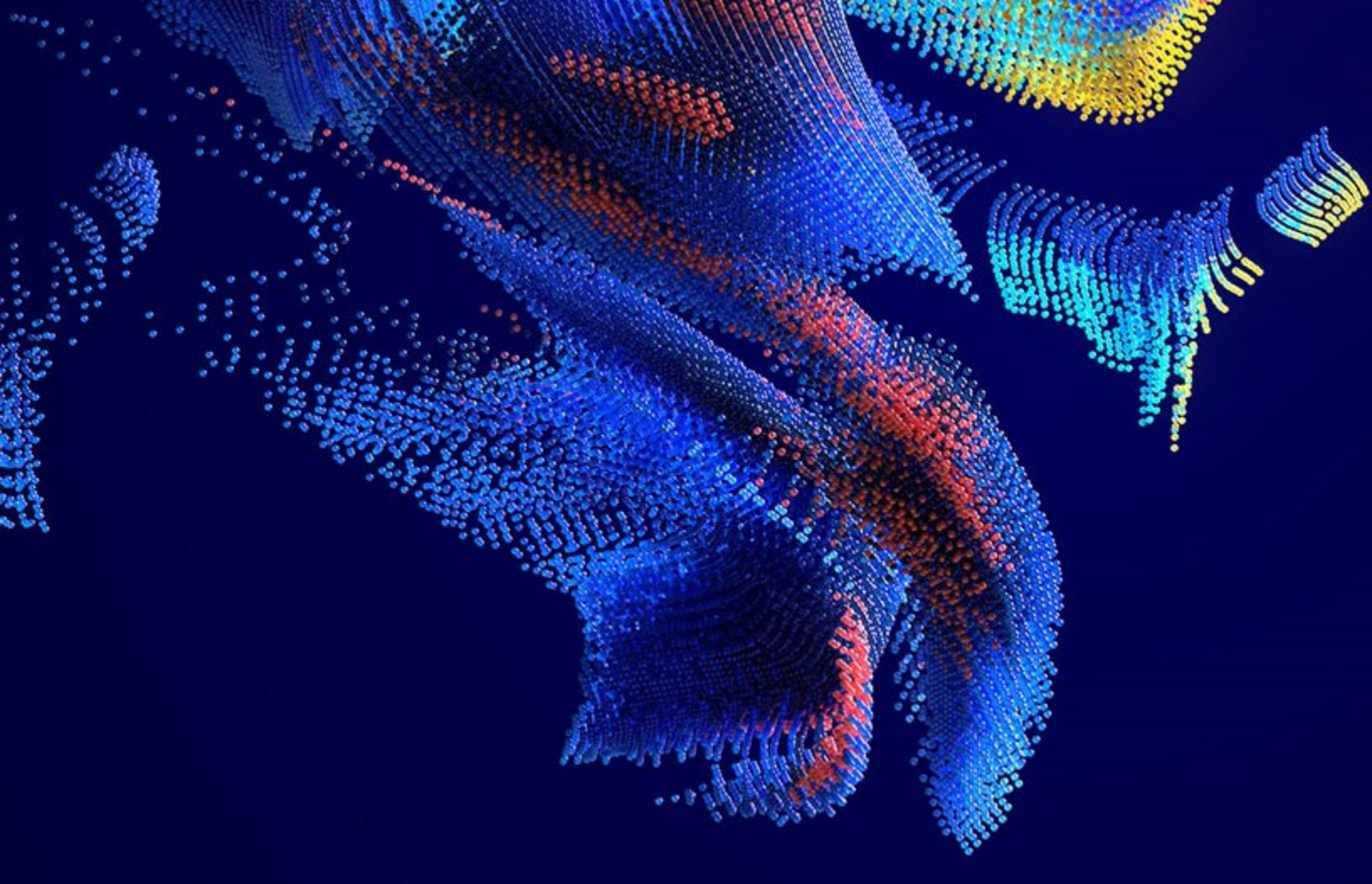
Visa is evolving into a network of networks, in which we serve as a single connection point for moving value domestically and cross border. This includes flows on Visa-owned networks, RTPs, ACHs, and newer networks like public blockchains and Central Bank Digital Currencies (CBDC) networks.

**CBDC:** At Visa we're engaging with Central Banks and policy makers to identify compelling CBDC use cases and how to bring them to life with secure, convenient, and reliable technologies that can seamlessly integrate with the existing payments ecosystem. Our efforts include original research to address design challenges that central banks will face, including offline payments, interoperability, and how CBDC can help drive digitization; partnering with leading digital currency providers, and engaging directly with policy makers and central banks around the world to help shape the dialogue.

**Stablecoins:** There are more than \$100 billion worth of stablecoins in circulation. With a solid developer community and fiat-backed reserves, we believe stablecoins have potential to be used for driving financial inclusion and global commerce. We're exploring and advancing the application of this technology.







## **Crypto Value-Added Services: Differentiating Visa's network**

### *Visa Consulting and Innovation Services*

Visa has a network of experts across the Consulting & Analytics, product, innovation, and design teams, who are helping clients evaluate and meet the growing interest in digital currency and crypto. Through this, we help clients:

- Understand and uncover crypto trends helping financial institutions become more crypto-fluent
- Develop a crypto strategy that meets business needs and objectives
- Research, design, and pilot new crypto user experiences and product innovations

Please visit <https://usa.visa.com/solutions/crypto/digital-currency-innovation-hub.html> for more information.

# Conclusion



**Surveyed consumers remain primarily interested in cryptocurrency as an investment or store of value as opposed to a medium of exchange, though interest in crypto-linked cards indicates that consumers are open to additional use cases.**

While most crypto-aware consumers surveyed view cryptocurrency as a wealth-building asset, many believe that within the next 5 years it will have permeated most types of transactions (e.g., everyday purchases of goods or services, transfers to friends and family domestically and internationally) and that within 10 years it will be used by most consumers. We are just seeing the very cusp of consumers experimenting with transacting with cryptocurrency.



**The stability of a market's national economy is still a big factor in driving engagement.**

Surveyed consumers in Emerging Markets are more likely to own cryptocurrency or have positive perceptions about cryptocurrency due to factors like local fiat inflation and currency devaluation. Surveyed consumers in Developed Markets, who do not experience the same instability in their national economies, are less influenced by these benefits.



**Barriers of entry into cryptocurrency have fallen across the board for participants surveyed, however, continual efforts to educate consumers are still needed to help them understand the nuances of this space.**

There's an opportunity to provide digestible, trusted information on cryptocurrency to those consumers who want to feel they have a better understanding of cryptocurrency before getting involved. The participation of financial institutions is also likely to have a meaningful impact for Curious consumers. Skeptics and Unengaged consumers, on the other hand, need many more proof points that cryptocurrency is here to stay before thinking of becoming involved.



**Crypto-linked cards can become low-friction gateways to engagement.**

These solutions generate interest among surveyed Owners and Curious consumers, offering easier on-ramps to prompt further engagement with cryptocurrency. Financial institutions may have the potential to acquire new customers and engender deeper loyalty with consumers who are starting to try out cryptocurrency for the first time.

# Glossary of Terms

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**Bitcoin:** A type of digital currency that is created, distributed, traded, and stored with the use of a decentralized ledger system, known as a blockchain.

**Blockchain:** A system of recording information in a way that is decentralized and makes it difficult to change or hack.

**Central Bank Digital Currency (CBDC):** A digital currency issued by a government's central bank and is essentially a digital version of cash.

**Crypto-aware Consumers:** For the purposes of this research, survey respondents that meet all qualification criteria:

- Be at least 18 years old
- If 25 years old or older, have a household income of at least \$35,000 (or market equivalent)
- Have shared or joint financial decision-making responsibility in their households
- Be aware of cryptocurrency

**Crypto-linked Cards:** A card that allows you to convert and spend crypto at merchants and/or earn crypto rewards based on your spend.

**Cryptocurrency:** A form of digital currency created by solving a complex series of cryptographic equations. Once “minted”, the cryptocurrency exists on a blockchain and is decentralized, meaning it is not controlled by a singular entity the way all traditional currencies are (e.g., Bitcoin and Ethereum).

**Developed Markets:** For the purposes of this research, the following markets were surveyed and included as “Developed Markets”: United States, United Kingdom, Germany, Hong Kong (SAR), Australia.

**Emerging Markets:** For the purposes of this research, the following markets were surveyed and included as “Emerging Markets”: Brazil, Argentina, South Africa.

**Adults with Financial Discretion:** For the purposes of this research, respondents that are 18+ years of age, have primary or shared decision-making responsibility for their household, and have \$35K+ household income or equivalent.

**Ether:** A type of cryptocurrency on the Ethereum blockchain. It is also a transaction token of the Ethereum network, which also facilitates peer-to-peer contracts known as Smart Contracts as well as Decentralized Applications (DApps).

**Ethereum:** A decentralized, open source blockchain with smart contract functionality.

**Fiat Currency:** A government-issued currency that is not backed by a commodity such as gold.

**Fintechs:** Financial services companies that integrate technology into offerings in order to improve their use and delivery to consumers.

**Global:** For the purposes of this research, the following markets were surveyed and included in the “Global” group: United States, United Kingdom, Germany, Hong Kong (SAR), Australia, Brazil, Argentina, South Africa.

**Stablecoin:** A new class of digital currency that attempts to offer price stability and is backed by a reserve asset.

# Segment Definitions

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## Owners:

Refers to survey respondents that meet all qualifying criteria (adults with financial discretion and crypto aware) and have ever done any of the following with cryptocurrency:

- Invested for a long-term hold or engaged in day-trading
- Used it for transactions / payment or to transfer

## Active Owners:

Has ever done any of the following with cryptocurrency:

- Used it to buy goods and services
- Accepted as payment
- Transferred to / from someone else
- Developed a cryptocurrency

## Passive Owners:

Has ever done any of the following with cryptocurrency:

- Invested for a long-term hold or engaged in day-trading

Has never done any of the following with cryptocurrency:

- Used it for transactions / payment or to transfer

## Curious:

Has ever done any of the following with cryptocurrency:

- Taken steps to research or learn about it

Has never done any of the following with cryptocurrency:

- Invested for a long-term hold, engaged in day-trading, used it for transactions / payment or to transfer

Holds positive perceptions of cryptocurrency (e.g., it will continue to grow in popularity, it's the next advancement in modern finance)

## Skeptics:

Has ever done any of the following with cryptocurrency:

- Taken steps to research or learn about it

Has never done any of the following with cryptocurrency:

- Invested for a long-term hold, engaged in day-trading, used it for transactions / payment or to transfer

Only holds negative perceptions of cryptocurrency (e.g., it's illegal, bad or unsafe investment, will decline in popularity)

## Unengaged:

Has never done any of the following with cryptocurrency:

- Taken steps to research or learn about it

OR says they are indifferent (i.e., don't have any positive or negative thoughts about cryptocurrency)